

# Criteria for Qualified Health Plans – Draft Policy Questions

## Purpose of Policy Analysis

HHS has issued proposed rules that would govern the certification of plans to be offered in the exchange. These rules offer some flexibility to states in establishing rules that could exceed the minimum criteria established in federal law.

The purpose of the policy analysis is to support a policy-level discussion by the Legislature and Governor as they consider how the exchange should certify qualified health plans. Where appropriate, insights into the perspective of or the impact upon consumers, employers, insurers, and health care providers in the private and public health insurance markets will be provided.

## Background

- OIC currently licenses insurer and reviews their plans and rates.
- Minimal qualified health plan criteria from the ACA:
  - *Essential health benefits* (mandated benefits currently reviewed by OIC)
  - *Marketing requirements* (OIC currently reviews as specified in WA laws)
  - *Network adequacy* (OIC currently reviews as specified in WA laws)
  - *Essential community providers*
  - *Clinical quality measures*
  - *Quality improvement strategy*
  - *Uniform enrollment form*
  - *Quality measures from the PHSA*
  - *Pediatric quality measures*

**Implementation Options:** Explore and discuss high-level pros and cons of several Washington State options:

- Option 1: The exchange would certify *all health plans that meet and agree to comply with the minimum requirements* specified in the ACA for a qualified health plan. These minimum rules encompass covered benefits, cost sharing, quality improvement, customer support, and reporting to the exchange.
- Option 2: The exchange would implement selection criteria beyond the minimum certification standards, with the intent of *improving quality and/or access to greater service areas within health plans*. Additional selection criteria might include (1) the past performance of the health insurance issuer on key quality measures; (2) quality improvement activities, (3) enhancements of provider networks including the availability of network providers to new patients; and (4) the size of a service area and the amount of choice afforded to the consumers within that service area.

- Option 3: The exchange would implement a different type of selection criteria beyond the minimum certification standards, with the intent of *better managing the cost of health plans available through the exchange*. Additional selection criteria might include (1) the reasonableness of the estimated costs supporting the calculation of the health plan's premium and cost-sharing levels; and (2) the plan's premium rate increases in past years (preceding the Exchange operation) and proposed rate increases.

**Policy Questions: The following are questions that will be addressed in the analysis.**

### **Market Issues**

- Which options allow for more issuers to participate in the market?
- Which options might discourage plan participation in the exchange?
- Which options maximize enrollment in the exchange?
- To what extent do the options encourage different types of plans inside and outside the exchange?
- How might these options enhance the possibility of offering a greater choice of health plans in rural areas?
- Which options make it more feasible for health plans to offer statewide coverage?
- Which options encourage health insurance issuers to offer the same health plans inside and outside of the exchange?
- Which options encourage health insurance issuers to offer health plans across all levels of an exchange?
- Which options encourage health plans to compete on price, quality, and customer service (access to clinical advice, patient involvement in medical decision-making, promoting healthy behaviors, access to medical records, etc.)?
- Should options #2 and #3 be implemented together?

### **Cost and Quality**

- Do the options promote improvements in health care quality?
- Do the options promote cost containment?
- How might health care providers respond if quality standards are different in plans offered inside vs. outside the exchange?

### **Consumer Outcomes**

- Which options promote meaningful choice for consumers in the exchange?
- Which options promote coverage of low-income enrollees through the exchange?
- How might the options allow consumers to assess plans on quality of service provided?

## **Administration**

- Do any options create administrative burdens that overwhelm the value of implementing the selection criteria?
- Are some options more feasible to implement in 2014? Are some options more feasible to implement in the long-term?

## **Next Steps: Moving toward 2012 Legislative Session**

Using the above policy discussion, the HCA will make a recommendation for moving forward with a decision with an explanation of the choice included.